

## Message Text

CONFIDENTIAL

PAGE 01 PEKING 02337 010242Z  
ACTION EA-12

INFO OCT-01 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00  
COME-00 DODE-00 EB-08 DOE-15 H-01 INR-10 INT-05  
L-03 NSAE-00 NSC-05 OMB-01 PM-05 ICA-11 OES-09  
SP-02 SS-15 STR-07 TRSE-00 ACDA-12 PA-01 /131 W  
-----028585 010818Z /21

R 310857Z JUL 78  
FM USLO PEKING  
TO SECSTATE WASHDC 1528

C O N F I D E N T I A L PEKING 2337

E.O. 11652: GDS  
TAGS: EEWT ENRG CH

SUBJ: OIL EXPLORATION IN SINKIANG

REF: A. PEKING 2223, B. PEKING 2067

1. DRESSER INDUSTRIES (REF A) LEFT PEKING CONFIDENT THAT THEY WILL BE RETURNING IN FOUR TO FIVE WEEKS TO SIGN \$16 MILLION CONTRACT FOR "ONE DESERT RIG FOR 20,000 FEET DRILLING." HOWEVER, OTHER US FIRMS, UOP AND SMITH DASING;VARCO INTERNATIONAL, HAVE BEEN IN PEKING APPARENTLY DISCUSSING THE SAME OR SIMILAR PROJECTS. THE LATTER BELIEVES THAT THE CHINESE MAY BE HAVING SECOND THOUGHTS ABT MOVING SO FAST BECAUSE OF POSSIBLE DIFFICULTIES IN MOVING THE HEAVY EQUIPMENT TO THE PROPOSED DRILLING SITE (NOT CLEARLY DEFINED BUT SOUTH OF URMCHI IN THE NORTHERN PART OF THE TARIM BASIN). THEY SAID THAT WHEN THE PROJECT WAS FIRST OUTLINED TO THEM, THE ROAD FROM URUMCHI TO SICE WAS DESCRIBED AS HARD SURFACED AND CAPABLE OF 40 MILE PER HOUR TRAFFIC. AFTER INTENSIVE DISCUSSION, THE COMPANY NOW BELIEVES THAT SOME RIVERS ON THE ROUTE ARE CROSSED ONLY BY PRIMITIVE BRIDGES WHICH ARE INCAPABLE OF HANDLING HEAVY LOADS. THEY ALSO BELIEVE THAT THE  
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ROAD MAY IN FACT BE GRAVEL OR DIRT. THE SMITH DASING GROUP QUESTIONED USLO ABOUT THE TERRAIN AND THE ROADS. WE SUGGESTED THAT THEY CONTACT CLARKE IN COMMERCE (BEWT) FOR USG UNCLASSIFIED MATERIAL.

2. WE ALSO UNDERSTAND THAT AT LEAST PART OF THE SEISMIC EQUIPMENT SOLD EARLIER BY MERTZ (REF B) WAS TO BE CAPABLE

OF DESERT WORK.

3. THIS INFORMATION IS COMMERCIALLY SENSITIVE AND SHOULD  
NOT BE DISCUSSED OUTSIDE THE GOVERNMENT.  
WOODCOCK

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM, EXPLORATION  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 31 jul 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978PEKING02337  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780314-0241  
**Format:** TEL  
**From:** PEKING  
**Handling Restrictions:** n/a  
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**Legacy Key:** link1978/newtext/t1978073/aaaaackk.tel  
**Line Count:** 67  
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**Litigation Codes:**  
**Litigation History:**  
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**Message ID:** 61988a6e-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 PEKING 2223, 78 PEKING 2067  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 10 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1915297  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** OIL EXPLORATION IN SINKIANG  
**TAGS:** EEWT, ENRG, CH  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
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20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014